

AMENDED IN ASSEMBLY JULY 9, 2015

AMENDED IN SENATE APRIL 28, 2015

AMENDED IN SENATE APRIL 6, 2015

SENATE BILL

No. 501

Introduced by Senator Wieckowski

February 26, 2015

An act to amend Section 706.050 of the Code of Civil Procedure, relating to wage garnishment.

LEGISLATIVE COUNSEL'S DIGEST

SB 501, as amended, Wieckowski. Wage garnishment restrictions.

The Wage Garnishment Law prescribes the procedure for withholding an employee's earnings for purposes of paying a debt. The law requires that a levy of execution upon the earnings of an employee be made by service of an earnings withholding order upon the employer. An earnings withholding order is issued by a levying officer upon receiving an application submitted by a judgment creditor, as specified. Existing law prohibits the amount of an individual judgment debtor's weekly disposable earnings subject to levy under an earnings withholding order from exceeding the lesser of 25% of the individual's weekly disposable earnings or the amount by which the individual's disposable earnings for the week exceed 40 times the state minimum hourly wage in effect at the time the earnings are payable, as specified, unless an exception applies. An employer is required, except as otherwise provided by statute, to withhold the amounts required by an earnings withholding order from all earnings of the employee payable for any pay period of the employee which ends during the withholding period.

This bill would reduce the prohibited amount of an individual judgment debtor's weekly disposable earnings subject to levy under an earnings withholding order from exceeding the lesser of ~~10%~~ 25% of the individual's weekly disposable earnings or ~~1/3~~ 30% of the amount by which the individual's disposable earnings for the week exceed 40 times the state minimum hourly wage, or applicable local minimum hourly wage, if higher, in effect at the time the earnings are payable.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 706.050 of the Code of Civil Procedure
2 is amended to read:

3 706.050. (a) Except as otherwise provided in this chapter, the
4 maximum amount of disposable earnings of an individual judgment
5 debtor for any workweek that is subject to levy under an earnings
6 withholding order shall not exceed the lesser of the following:

7 (1) ~~Ten percent~~ *Twenty-five percent* of the individual's
8 disposable earnings for that week.

9 (2) ~~One-third~~ *Thirty percent* of the amount by which the
10 individual's disposable earnings for that week exceed 40 times the
11 state minimum hourly wage in effect at the time the earnings are
12 payable. If a judgment debtor works in a location where the local
13 minimum hourly wage is greater than the state minimum hourly
14 wage, the local minimum hourly wage in effect at the time the
15 earnings are payable shall be used for the calculation made pursuant
16 to this paragraph.

17 (b) For any pay period other than weekly, the following
18 multipliers shall be used to determine the maximum amount of
19 disposable earnings subject to levy under an earnings withholding
20 order that is proportional in effect to the calculation described in
21 paragraph (2) of subdivision (a), except as specified in paragraph
22 (1):

23 (1) For a daily pay period, the amounts shall be identical to the
24 amounts described in subdivision (a).

25 (2) For a biweekly pay period, multiply the applicable hourly
26 minimum wage by 80 work hours.

27 (3) For a semimonthly pay period, multiply the applicable hourly
28 minimum wage by $86\frac{2}{3}$ work hours.

- 1 (4) For a monthly pay period, multiply the applicable hourly
- 2 minimum wage by $173\frac{1}{3}$ work hours.

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